

**CHILDREN AND FAMILIES LIMITED**

**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM THE 1 APRIL 2017 TO THE 31 MARCH 2018**

1115459

CHARITY COMMISSION  
FIRST CONTACT

21 AUG 2018

ACCOUNTS  
RECEIVED

CONTENTS

---

	Page
Company Information	3
Trustees' Report	4 - 9
Independent Auditors' Report	10 - 11
Group Statement of Financial Activities	12
Balance Sheets	13
Cash Flows	14
Notes to the Financial Statements	15 - 26

---

## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **Charity Name**

Children and Families Limited

### **Charity Number**

1115459

### **Company Number**

04615904

### **Registered Office and Principal Address**

Children and Families Limited

Seashells

Rose Street

Sheerness

Kent

ME12 1AW

### **Trustees/ Directors**

AW Bayford (retired 18/7/17)

C White

JC Bromiley

DJ Buckett

L Anning

GJ Ratcliffe (appointed 1/8/17)

### **Company Secretary**

J Duncan

### **Senior Staff Members**

J Duncan

JW Payne

I Townsend-Blazier

### **Bankers**

National Westminster Bank PLC

National Westminster House

37 Old Dover Road

Canterbury

Kent

CT1 3JB

### **Auditors**

MHA MacIntyre Hudson

Chartered Accountants

71 New Dover Road

Canterbury

Kent

CT1 3DZ

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiaries for the year ending the 31 March 2018 which are also

prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document and Constitution**

Children & Families Limited is a not for profit company limited by guarantee that was formed on the 12th December 2002 and was registered as a charity with the Charity Commission on the 20th July 2006. The charity is governed by its Memorandum & Articles of Association and managed by its Board of Directors who are also the Trustees as defined by Section 97 of the Charities Act 1993. The Board has overall control of the charity.

### **Trustee Appointment**

One Director/Trustee retired and one new Director/Trustee was appointed to the Board during the period. Any person legally entitled and willing to act as a Company Director and Trustee may be appointed to the Board and all applications are duly considered and agreed by the Board in the best interests of the charity. The Company Secretary inducts new Trustees into the charity and also informs them of suitable training opportunities that will support them in their role as a Trustee.

### **Organisational Structure**

The Board of Directors has five members with equal rights under the Memorandum and Articles of Association. Children & Families Limited is the charitable parent company of three wholly owned subsidiary companies. The subsidiaries are Children & Families Childcare Ltd, Children & Families Children's Centres Ltd and FareShare Kent CIC. As parent of the subsidiaries, Children & Families Limited is a Corporate Director of each and appoints two natural persons from its Board to serve as Directors on each. The Company Secretary and Chief Executive Officer of Children & Families Limited also acts in these roles for each of the subsidiaries. The Board of Directors meets quarterly and sets the strategic direction and policy of the charity and group of companies under its control.

### **Child Protection**

As a children's charity the protection of children is our paramount concern. We have strict and comprehensive safeguarding and child protection policies, procedures and mechanisms in place to protect children from harm. We employ safe recruitment practices and ensure thorough vetting of staff including the use of enhanced DBS disclosures. Staff are trained in child protection awareness and are supported by Designated Safeguarding Leads who ensure the safety of children within services.

## **OBJECTIVES AND ACTIVITIES**

In setting our objectives and planning our activities we have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees confirm that to the best of

their ability they have consistently complied with their duty to have due regard to this guidance in exercising their powers and duties.

Our charitable objects are to advance the education of the public in the subject of childcare and parenting to ensure that children can: i) be healthy; ii) stay safe; iii) enjoy and achieve; iv) make a positive contribution; and v) achieve economic well-being. We seek to develop the capacity and skills of the members of the socially and economically disadvantaged community of Kent in such a way that they are better able to identify and help meet their needs and to participate more fully in society. We seek to promote general charitable purposes for the benefit of the community of Kent and the surrounding area and to provide relief from financial hardship and social and/or economic disadvantage and to advance the education of its residents of all ages and in particular to provide opportunities for the aforementioned residents to participate fully in the life of their community in ways which address and alleviate social and economic disadvantage. We also pursue the relief of unemployment for the benefit of the public in such ways as may be thought fit, including assistance to find employment.

In pursuit of our objects we have undertaken a number of activities particularly with disadvantaged communities in Kent for public benefit. This includes the delivery of high quality, registered early education and childcare, where we have worked with parents to help them, help their children to develop and thrive. We have also provided children's centre services to children and families, supporting parents of very young children to keep them healthy, safe and to help them with their early learning. We have supported the delivery of other services to the community by hosting health visiting, midwifery and other important community services with a family focus. We have delivered parenting programmes such as the Solihull Approach and family support to those in need, especially family financial support, helping families to manage their finances better and maximise their income to help reduce the impact of child poverty. We have provided volunteering and training opportunities, especially to parents and particularly in support of those wishing to get back into employment. Our Family Food Bank has also provided emergency food boxes to many vulnerable families across the county who have experienced financial hardship in times of crisis.

## **ACHIEVEMENTS AND PERFORMANCE**

During the year we delivered a number of child and family support services targeting child poverty including the Family Food Bank, the Family Finance Project and our Children's Centre services. These services helped over 9,500 family members in Kent in 2017/18 with food, welfare advice, money management and other family support services. This support is targeted at those families with the youngest children where child poverty is often disproportionately high and where we believe we can have the greatest impact on ensuring children are given the best opportunities in life.

Our subsidiary FareShare Kent delivered 214 tonnes of food to 112 charities and community organisations in Kent. This is a reduction on the previous year due to significantly lower volumes of food being received. However, this is still estimated to have provided over 510,000 meals for the beneficiaries of those organisations and couldn't have been achieved without the 36,000 hours of volunteer time donated by our incredible volunteer team. This team were also instrumental in ensuring the Family Food Bank was able to deliver more than 3,000 food boxes to families in crisis during the year, equivalent to more than 118,000 free meals for our beneficiaries.

One of our settings was Ofsted inspected and achieved a 'Good' overall judgement and all other settings also remained 'Good' in all areas during the year. 500 children benefitted from the childcare and early education we provided with over 78% of this being free at the point of delivery to our families.

We also enjoyed a number of award successes during the year and are very proud to have been named:

- KEiBA 2017: Winner – Business Commitment to the Community for FareShare Kent
- Ibak 2017: Winner – Kent Small Business of the Year for FareShare Kent
- Volunteer Swale Awards 2018: Winner – Voluntary Project of the Year for Seashells
- Kent Charity Awards 2018: Overall Winner – for Children & Families

## **FINANCIAL REVIEW**

The Trustees are reporting a 2018 surplus of £97 (2017: surplus of £69,167). FareShare Kent again made a small loss of £2,720 on operations over the year. The investment Children & Families makes in FareShare Kent supports the Family Food Bank service, enabling us to deliver over 3,000 food boxes equivalent to more than 118,000 meals in 2017/18. The financial KPIs that the Trustees monitor are as follows: i) the level of debtors; ii) the level of the general free reserve.

### **Reserves Policy**

In the Trustees' view, the charity's reserves should provide it with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. The Trustees have therefore decided to maintain funds as follows:

**Designated Building Reserve Fund (2018: £135,930)** – This fund will be held for essential future expenditure on the charity's property and in particular the Seashells building. The fund will be increased by an amount of not less than £10,000 annually.

**Designated Redundancy Reserve Fund (2018: £96,884)** – This fund will be calculated annually to ensure funds are available to meet any redundancy liabilities in the event of the organisation being wound up.

**General Free Reserve Fund (2018: £230,951)** – This fund will be held to ensure the future stability and sustainability of operations during any periods of unforeseen difficulty. The Trustees will aim to maintain this fund at 3 to 6 months of annual turnover.

### **Risk Management**

The Board of Directors meets at least four times a year and receives financial, performance, risk and activity reports. Operations are insured and include but are not limited to: Employers Liability, Public Liability, Professional Indemnity, Directors Indemnity, Buildings and Legal Expenses. In addition, we contract for the provision of health and safety and employment law advice.

The principle risks identified by the Board include: i) sustained deficit financial performance ii) increased competition in the early education sector iii) resignation or long-term illness of senior management.

We annually review and record our risks in a Risk Register, assessing their probability, impact and the means by which we can mitigate against them.

### **Plans for Future Periods**

We will seek to continue extending our work, looking for opportunities to increase the number of children and families in Kent that we're able to support through our children's centre, food bank and other family support services. We have an ambitious programme planned with FareShare UK for the expansion of FareShare Kent, with significant funding support anticipated from the Big Lottery Fund and Asda. We will also continue to consider suitable opportunities to grow our early education and childcare operations.

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

The charity trustees (who are also directors of Children and Families Limited for the purposes of company law) are responsible for preparing the trustee's annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing their preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Statement of Disclosure of Information to our Auditors**

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees



### **Auditors**

MHA MacIntyre Hudson were re-appointed as the charity's auditors during the year and have expressed their willingness to continue in that capacity.

### **Small Company Exemptions**

This report has been prepared in accordance with the special provisions relating to small companies within Part 415A of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'L Anning', written over the printed name.

L Anning - Chair

Date: 19.7.18

## **Independent Auditor's Report to the Members and Trustees of Children and Families Limited**

### **Opinion**

We have audited the financial statements of Children and Families Ltd (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the group statement of financial activities, balance sheet, statement of consolidated cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2018, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Duncan Cochrane-Dyet FCA (Senior Statutory Auditor)  
For and on behalf of MHA MacIntyre Hudson  
Statutory Auditors  
71 New Dover Road  
Canterbury  
Kent  
CT1 3DZ

Date: 13 August 2018

**GROUP STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)  
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
		£	£	£	£
<b>INCOME</b>					
Donations		113	11,103	11,216	7,573
Income from charitable activities					
Grants receivable	2	20,094	49,500	69,594	55,468
Fees receivable		1,166,652	-	1,166,652	1,244,500
Rent and service charges receivable		58,049	-	58,049	65,898
Other income		33,313	983	34,296	63,181
Investment income		142	-	142	479
<b>Total Income</b>		<b>1,278,363</b>	<b>61,586</b>	<b>1,339,949</b>	<b>1,437,099</b>
<b>EXPENDITURE</b>					
Expenditure on charitable activities	4	1,309,785	30,067	1,339,852	1,367,932
<b>Total Expenditure</b>		<b>1,309,785</b>	<b>30,067</b>	<b>1,339,852</b>	<b>1,367,932</b>
<b>Net income for the year</b>		<b>(31,422)</b>	<b>31,519</b>	<b>97</b>	<b>69,167</b>
Gross transfers between funds	13	38,067	(38,067)	-	-
<b>Net Movement in Funds</b>		<b>6,645</b>	<b>(6,548)</b>	<b>97</b>	<b>69,167</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		881,549	31,179	912,728	843,561
<b>Total funds carried forward</b>		<b>888,194</b>	<b>24,631</b>	<b>912,825</b>	<b>912,728</b>

The statement of financial activities includes all gains and losses recognised during the year.

**BALANCE SHEETS**  
**AS AT 31 MARCH 2018**

	Notes	Group 31st March 2018 £	31st March 2017 £	Charity 31st March 2018 £	31st March 2017 £
<b>Non Current Assets</b>					
Tangible Fixed Assets	9	424,429	429,620	216,144	213,901
Investments	9	-	-	104	104
Secured loan	9	-	-	170,000	170,000
		<u>424,429</u>	<u>429,620</u>	<u>386,248</u>	<u>384,005</u>
<b>Current Assets</b>					
Debtors	10	72,521	65,720	91,099	66,513
Cash at bank and in hand		<u>598,810</u>	<u>606,203</u>	<u>561,178</u>	<u>588,722</u>
		671,331	671,923	652,277	655,235
<b>Creditors: Amounts falling due within one year</b>	11	<u>182,935</u>	<u>188,815</u>	<u>124,462</u>	<u>128,854</u>
<b>Net Current Assets</b>		488,396	483,108	527,815	526,381
<b>Total assets less current liabilities</b>		<u>912,825</u>	<u>912,728</u>	<u>914,063</u>	<u>910,386</u>
<b>Creditors: Amounts falling due after one year</b>		-	-	-	-
<b>Net Assets</b>		<u>912,825</u>	<u>912,728</u>	<u>914,063</u>	<u>910,386</u>
Represented by:-					
<b>Funds</b>					
Unrestricted	13	888,194	881,549	889,432	879,207
Restricted	14	<u>24,631</u>	<u>31,179</u>	<u>24,631</u>	<u>31,179</u>
<b>Total Funds</b>		<u>912,825</u>	<u>912,728</u>	<u>914,063</u>	<u>910,386</u>

The notes on pages 15 to 26 form part of these accounts.

Approved and signed on behalf of the Board for issue on .....17/7/2018.....by:

.....  
 Lauren Anning

.....  
 David Buckett

**STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	Group 31st March 2018 £	31st March 2017 £	Charity 31st March 2018 £	31st March 2017 £
<b>Cash used in operating activities</b>	19	15,964	167,388	(16,813)	160,592
<b>Cash flows from investing activities</b>					
Interest income		142	479	8,394	8,660
Purchase of tangible fixed assets		(23,578)	(33,949)	(19,204)	(28,461)
Sale proceeds of tangible fixed assets		79		79	
<b>Cash provided by (used in) investing activities</b>		<u>(23,357)</u>	<u>(33,470)</u>	<u>(10,731)</u>	<u>(19,801)</u>
Increase (decrease) in cash		(7,393)	133,918	(27,544)	140,791
Cash at the beginning of the year 1 April 2017		<u>606,203</u>	<u>472,285</u>	<u>588,722</u>	<u>447,931</u>
<b>Cash at the end of the year 31 March 2018</b>		<u><u>598,810</u></u>	<u><u>606,203</u></u>	<u><u>561,178</u></u>	<u><u>588,722</u></u>
Cash and cash equivalents consist of:					
Cash at bank and in hand		<u><u>598,810</u></u>	<u><u>606,203</u></u>	<u><u>561,178</u></u>	<u><u>588,722</u></u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

---

### 1 Accounting Policies

#### a) General information and basis of preparation

Children and Families Limited is a charitable company limited by guarantee. In the event of the charity being wound up the liability in respect of the guarantee is limited to £10 per member of the charity.

The address of the registered office is Seashells, Rose Street, Sheerness, Kent ME12 1AW.

The nature of the charity's operation and principal activities are the advancement of the education of the public in the subject of childcare and parenting.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015 (as updated through Bulletin 1 published on 2nd February 2016).

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### b) Incoming Resources and Debtors

Incoming resources are recognised when the charity or its subsidiaries has entitlement to the funds, any performance conditions have been met or are fully in the control of the charity or its subsidiaries, there is a significant certainty that receipt is probable and the amount can be measured reliably. These resources represent fees receivable during the year, in addition to grants receivable from various organisations. Where gifts are received of goods and services these are included as donations received at their estimated market value.

Debtors are recognised at the settlement amount less any discount agreed. Prepayments are valued at the amount prepaid after taking into account any discounts.

#### c) Fixed Assets

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition. Items donated for ongoing use by the charity in carrying out its activities are recognised as tangible fixed assets and the corresponding gain recognised as income from donations within the SOFA.

Depreciation is calculated so as to write off the cost of fixed assets over the expected useful economic lives of the assets concerned. The rates used are as follows:-

Leasehold improvements	Over the period of the Lease or 20% on Cost
Office equipment	20% on Cost
Computer equipment	33% on Cost
Craft and gardening equipment	20% on Cost

Freehold property is not depreciated as the residual value is estimated to be at least as much as the book value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

---

**1 Accounting Policies (continued)****d) Resources Expended and Creditors**

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered as the Company and one of its subsidiaries are not registered for VAT.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and these costs of an indirect nature necessary to support them.

Governance costs includes those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

Creditors and provisions are recognised at their settlement value less any discounts where the charity has a present obligation from a past event that will probably result in the transfer of funds to a third party and the amount can be measured reliably.

**e) Fund Accounting**

Unrestricted funds are incoming resources receivable or generated from the objects of the charity without further specified purpose and are available in general funds.

Designated funds are unrestricted funds ear marked by the Trustees for a particular purpose.

Restricted funds are to be used for specific purposes as laid down by the donor, expenditure which meets these criteria is charged to the fund, together with a transfer which represents an estimate of support costs and management and administration costs.

**f) Operating leases**

Lease payments under operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as an expense in the period in which they are incurred.

**g) Financial instruments**

The charity has only basic financial instruments recognised at transaction value.

**h) Pensions benefits**

All eligible employees of the company are automatically enrolled into the NEST defined contribution scheme. Employees are then able to exercise their right to opt out completely or to elect to have the company's contributions paid into their own personal pension plans provided their own scheme is approved by the Pensions Regulator. Employees contract directly with NEST or their own provider. The company pays the minimum contribution required by the Pensions Regulator and acts as agent for no charge in collecting and paying over employee pension contributions. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the relevant scheme. The charge for the year was £7,429 (2017: £6,966). The amount outstanding to pension providers at the year end was £1,484 (2017: £1,110).



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**1 Accounting Policies (continued)**

**i) Basis of consolidation**

These financial statements consolidate the results of the charity and its wholly owned subsidiaries Children and Families Childcare Limited, FareShare Kent C.I.C. and Children and Families Children's Centres Limited on a line by line basis. A separate Statement of Financial Activities, or income & expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006 and SORP 2015. The net movement in funds for the charity was £3,677 (2017: £71,574).

**2 Grants Receivable**

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Big Lottery Fund	-	-	-	10,000
Birmingham City Council	-	-	-	1,250
Cleary Foundation	-	-	-	600
FareShare	1,362	30,000	31,362	-
Kent Community Foundation	4,773	-	4,773	1,014
Kent County Council	-	6,298	6,298	27,896
Low Carbon Across the South East	-	2,102	2,102	-
Orchard Community Trust	-	2,700	2,700	-
Queenborough Fishery Trust	-	4,000	4,000	-
RBS Skills and Opportunity Fund	-	-	-	8,827
Swale Borough Council	-	1,400	1,400	-
Tesco Bags of Help	-	3,000	3,000	-
Vanquis Bank	7,959	-	7,959	5,881
W.K. Kellogg Foundation	6,000	-	6,000	-
	<u>20,094</u>	<u>49,500</u>	<u>69,594</u>	<u>55,468</u>

In 2017 income from grants receivable was £55,468 of which £39,746 was attributable to restricted income and £15,722 was to unrestricted income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**3 Income and Expenditure of Trading Subsidiaries**

The charity owns the whole of the issued share capital of Children and Families Childcare Limited. The results of this company are summarised below:

	<b>2018</b>	<b>2017</b>
Turnover	772,966	861,084
Direct costs	686,127	717,795
	<u>86,839</u>	<u>143,289</u>
Administrative expenses	46,595	49,283
Operating Profit	40,244	94,006
Gift aided to the charity	<u>(41,105)</u>	<u>(93,559)</u>
Retained in subsidiary	<u>(861)</u>	<u>447</u>
The aggregate of assets, liabilities and funds was:		
	<b>2018</b>	<b>2017</b>
	£	£
Assets	87,438	76,885
Liabilities	<u>84,844</u>	<u>73,430</u>
	<u>2,594</u>	<u>3,455</u>
Represented by:		
Ordinary shares of £1 each	2	2
Profit and loss account	<u>2,592</u>	<u>3,453</u>
Total funds	<u>2,594</u>	<u>3,455</u>

The charity owns the whole of the issued share capital of FareShare Kent C.I.C. The results of this company are summarised below:

	<b>2018</b>	<b>2017</b>
	£	£
Turnover	165,004	204,331
Direct costs	155,743	197,221
	<u>9,261</u>	<u>7,110</u>
Administrative expenses	11,981	10,585
Net profit/(loss) retained in subsidiary	<u>(2,720)</u>	<u>(3,475)</u>
The aggregate of assets, liabilities and funds was:		
	<b>2018</b>	<b>2017</b>
	£	£
Assets	235,050	237,807
Liabilities	<u>238,782</u>	<u>238,819</u>
	<u>(3,732)</u>	<u>(1,012)</u>
Represented by:		
Ordinary shares of £1 each	100	100
Profit and loss account	<u>(3,832)</u>	<u>(1,112)</u>
Total funds	<u>(3,732)</u>	<u>(1,012)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**3 Income and Expenditure of Trading Subsidiaries (continued)**

The charity owns the whole of the issued share capital of Children and Families Children's Centres Limited.  
The results of this company are summarised below:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Turnover	288,590	244,407
Direct costs	236,212	195,449
	<u>52,378</u>	<u>48,958</u>
Administrative expenses	40,119	41,384
Operating Profit/(Loss)	12,259	7,574
Gift aided to the charity	<u>(12,258)</u>	<u>(6,953)</u>
Retained in subsidiary	<u>1</u>	<u>621</u>
	<u><u>1</u></u>	<u><u>621</u></u>
 The aggregate of assets, liabilities and funds was:	 <b>2018</b>	 <b>2017</b>
	<b>£</b>	<b>£</b>
Assets	51,146	55,223
Liabilities	<u>51,142</u>	<u>55,220</u>
	<u>4</u>	<u>3</u>
	<u><u>4</u></u>	<u><u>3</u></u>
Represented by:		
Ordinary shares of £1 each	2	2
Profit and loss account	<u>2</u>	<u>1</u>
Total funds	<u><u>4</u></u>	<u><u>3</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**4 Total Resources Expended**

<b>Charitable activities Provision of children and family services</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2018</b>	<b>Total 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	773,740	-	773,740	780,058
Training and recruitment	5,273	-	5,273	16,846
Staff travel and subsistence	32,922	159	33,081	31,630
Activities, materials and consumables	26,047	11,609	37,656	33,271
Catering	17,731	-	17,731	16,236
Light and heat	16,946	-	16,946	15,830
Cleaning	23,699	-	23,699	18,038
Insurances	14,408	-	14,408	15,823
Rent and rates	11,368	5,040	16,408	17,513
Postage, printing and stationery	5,424	383	5,807	5,112
Telephone and internet charges	6,671	-	6,671	7,827
Repairs and renewals	22,177	11,048	33,225	28,836
Subscriptions	443	-	443	1,508
Depreciation	27,643	-	27,643	22,936
Loss on disposal of fixed assets	1,047	-	1,047	229
<b>Support costs</b>				
Staff costs	265,671	-	265,671	292,862
Training and recruitment	800	-	800	543
Staff travel and subsistence	509	126	635	954
Advertising	1,170	132	1,302	4,688
Postage, printing and stationery	1,592	-	1,592	4,956
Equipment hire and maintenance	11,249	1,499	12,748	13,285
Bad debts	5,565	-	5,565	986
Legal and professional	11,154	-	11,154	13,429
Sundry expenses	3,065	-	3,065	652
Bank charges	3,050	71	3,121	3,123
<b>Governance costs</b>				
Staff costs	11,052	-	11,052	11,064
Staff travel and subsistence	152	-	152	416
Courses and conferences	417	-	417	481
Subscriptions	-	-	-	-
Auditors' remuneration - audit of the financial statements	8,800	-	8,800	8,800
	<b>1,309,785</b>	<b>30,067</b>	<b>1,339,852</b>	<b>1,367,932</b>

In 2017 expenditure from charitable activities was £1,367,932 of which £43,992 was attributable to restricted expenditure and £1,323,940 was to unrestricted expenditure.

The auditors' received no remuneration for non-audit and other services (2017: £Nil).

**5 Trustee Emoluments**

No Trustee has received any remuneration nor been reimbursed for any expenses (2017: £Nil).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**
**6 Information on Employees**

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Staff costs are made up as follows:-		
Wages and salaries	990,816	1,016,302
Social Security costs	52,218	60,716
Pension costs	7,429	6,966
	<u>1,050,463</u>	<u>1,083,984</u>

No retirement benefits were accruing for directors (2017: none).

The number of employees whose total emoluments amounted to over £60,000 in the year were as follows:

	Number	Number
£60,001 - £70,000	1	1

The average number of employees during the period calculated on the basis of headcount, was made up as follows:-

Provision of child and family services	61	66
Support and administration	12	15
Governance	-	-
	<u>73</u>	<u>81</u>

The key management personnel of the parent charity and the group comprise the trustees, the Chief Executive Officer, the Group Accountant and the Business Development Manager. The total employee benefits of the key management personnel were £156,628 (2017: £150,511).

**7 Net Surplus for the Year**

	<b>2018 £</b>	<b>2017 £</b>
The net surplus for the year is stated after charging:-		
Depreciation of tangible fixed assets	27,643	22,936
Auditors remuneration	8,800	8,800
	<u>27,643</u>	<u>22,936</u>

**8 Taxation**

As a Registered Charity, the company is exempt from liability to taxation on its income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

<b>9 Tangible Fixed Assets - Group</b>	<b>Freehold property</b>	<b>Leasehold improvements</b>	<b>Motor vehicles</b>	<b>Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
As at 1 April 2017	192,791	275,726	2,500	198,524	669,541
Additions	1,560	16,392	-	5,626	23,578
Disposals	-	-	2,500	384	2,884
As at 31 March 2018	194,351	292,118	-	203,766	690,235
<b>Depreciation</b>					
As at 1 April 2017	-	82,720	1,094	156,107	239,921
Disposals	-	-	1,406	352	1,758
Charge for the year	-	6,904	312	20,427	27,643
As at 31 March 2018	-	89,624	-	176,182	265,806
<b>Net Book Value</b>					
As at 31 March 2018	194,351	202,494	-	27,584	424,429
As at 31 March 2017	192,791	193,006	1,406	42,417	429,620
<b>9 Tangible Fixed Assets - Charity</b>		<b>Leasehold improvements</b>	<b>Motor vehicles</b>	<b>Equipment</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
As at 1 April 2017		275,726	2,500	144,196	422,422
Additions		16,392	-	2,812	19,204
Disposals		-	2,500	-	2,500
As at 31 March 2018		292,118	-	147,008	439,126
<b>Depreciation</b>					
As at 1 April 2017		82,720	1,094	124,707	208,521
Disposals		-	1,406	-	1,406
Charge for the year		6,904	312	8,651	15,867
As at 31 March 2018		89,624	-	133,358	222,982
<b>Net Book Value</b>					
As at 31 March 2018		202,494	-	13,650	216,144
As at 31 March 2017		193,006	1,406	19,489	213,901
<b>9 Fixed Asset Investments - Charity</b>				<b>2018</b>	<b>2017</b>
				<b>£</b>	<b>£</b>
Investment in group companies				104	104

The investment in group companies represents 100% shareholdings in Children and Families Childcare Limited, FareShare Kent C.I.C. and Children and Families Children's Centres Limited all incorporated in England and Wales.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

<b>9 Secured loan - Charity</b>	<b>2018 £</b>	<b>2017 £</b>
Debenture loan	170,000	170,000

This represents a loan to FareShare Kent C.I.C. in order for that company to acquire a freehold warehouse. The loan has been granted for a minimum of 10 years and is secured by way of a debenture secured on all the assets of FareShare Kent C.I.C. Interest is payable at a fixed rate of 4.5% per annum above the base rate for the time being of National Westminster Bank PLC.

<b>10 Debtors</b>	<b>Group 31st March 2018 £</b>	<b>31st March 2017 £</b>	<b>Charity 31st March 2018 £</b>	<b>31st March 2017 £</b>
Trade debtors	52,547	43,055	27,613	6,789
Amount owed by group company	-	-	57,920	50,646
Other debtors	4,971	2,153	225	-
Prepayments	15,003	20,512	5,341	9,078
	<u>72,521</u>	<u>65,720</u>	<u>91,099</u>	<u>66,513</u>

<b>11 Creditors: Amounts falling due within one year</b>	<b>Group 31st March 2018 £</b>	<b>31st March 2017 £</b>	<b>Charity 31st March 2018 £</b>	<b>31st March 2017 £</b>
Trade creditors	20,833	31,645	8,939	15,932
Amounts owed to group companies	-	-	88,512	86,835
Taxation and social security	13,706	14,296	5,431	5,308
Other creditors	36,053	30,696	9,645	7,426
Accruals & deferred income	112,343	112,178	11,935	13,353
	<u>182,935</u>	<u>188,815</u>	<u>124,462</u>	<u>128,854</u>

Unrestricted incoming resources relating to services that have not been provided at the balance sheet date are reported as a liability. As the service is delivered over time it is recognised as incoming resources in the SOFA.

**12 Legal status**

Children and Families Limited is a company limited by guarantee. Every member undertakes to contribute such amounts as may be required, not exceeding £10 in the event of the company being wound up. The company has no share capital and is registered as a charity.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

<b>13 Unrestricted Funds</b>	<b>Balance at 01 04 17 £</b>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Transfers £</b>	<b>Balance at 31 03 18 £</b>
<b>Designated funds:</b>					
Building reserve fund	127,500	-	-	8,430	135,930
Redundancy reserve fund	86,028	-	-	10,856	96,884
<b>General funds</b>	<b>668,021</b>	<b>1,278,363</b>	<b>(1,309,785)</b>	<b>18,781</b>	<b>655,380</b>
	<b>881,549</b>	<b>1,278,363</b>	<b>(1,309,785)</b>	<b>38,067</b>	<b>888,194</b>

The building reserve fund is money set aside to cover possible major expenditure required on the charity's property.

The redundancy reserve fund is additional money put aside for Statutory Redundancy Pay for all applicable group employees at the balance sheet date.

<b>14 Restricted Funds</b>	<b>Balance at 01 04 17 £</b>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Transfers £</b>	<b>Balance at 31 03 18 £</b>
Imagination Library	6,665	983	(1,436)	-	6,212
FareShare Kent	-	30,000		(30,000)	-
Family Foodbank	10,978	14,185	(15,525)	-	9,638
Family Finance Worker	2,286	-	(708)	-	1,578
Queenborough Fishery Trust	-	4,000	(200)	-	3,800
Your Choice	1,250	-	(1,250)	-	-
Orchard Trust	-	2,700	(2,564)	(136)	-
KCC Member's Grant	-	3,216	(404)	(2,812)	-
Big Lottery	10,000	-	(4,745)	(5,255)	-
Low Carbon Across the South East	-	2,102	-	136	2,238
Tesco Bags of Help	-	3,000	(1,835)	-	1,165
SBC Member's Grant	-	1,400	(1,400)	-	-
	<b>31,179</b>	<b>61,586</b>	<b>(30,067)</b>	<b>(38,067)</b>	<b>24,631</b>

**Imagination Library**

For families approaching eligibility for 'free for two', we undertake book corner visits and enrol them onto the Imagination Library, through which they receive a free new children's book each month.

**FareShare Kent**

Supporting our work to deliver over 200 tonnes of surplus food to charitable and community organisations across Kent in 2017/18. The transfer represents the movement of these funds from C&F to FareShare Kent.

**The Family Food Bank**

The Family Food Bank gives food boxes to families in crisis identified by workers in the community. In 2017/18 over 3,000 food boxes were provided to families across Kent equivalent to more than 118,000 meals.

**Family Finance Worker**

Providing money management support and welfare benefits advice to vulnerable and struggling families across Swale.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

---

**14 Restricted Funds (continued)**

**Queenborough Fishery Trust**

Funding given to fund replacement flooring and other works to the Seashells building.

**Your Choice**

Funding received from the Illegal Money Lending Team to enable us to deliver an event to raise awareness around loan sharks.

**Orchard Trust**

Funding provided by a local green energy provider to support the cost of conversion of lighting at Seashells to LED lighting.

**Kent County Council Member's Grant**

Funding given to Rising Stars to provide an interactive table tablet and ancillary items to support children's early learning. The transfer represents the capitalisation of the table tablet as a fixed asset, to be depreciated over its expected useful economic life, in accordance with our Accounting Policy (please see Note 1(c) of these accounts).

**Big Lottery Fund**

Funding received to support the cost of replacing a boiler and associated controls and undertake external works to the Seashells building. The transfer represents the capitalisation of the boiler as a fixed asset, to be depreciated over its expected useful economic life, in accordance with our Accounting Policy (please see Note 1(c) of these accounts).

**Low Carbon Across the South East**

Funding provided to further support the cost of converting lighting at Seashells to LED.

**Tesco Bags of Help**

Funding given to support the cost of electrical works, to repair our car park barrier and provide new chairs at Seashells.

**Swale Borough Council Member's Grant**

Funding received to fund the cost of wash areas and purchase equipment for the sensory room.

**15 Analysis of Group Net Assets between Funds**

	<b>General Funds £</b>	<b>Designated Funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
Tangible fixed assets	424,429	-	-	424,429
Net current assets	230,951	232,814	24,631	488,396
	<u>655,380</u>	<u>232,814</u>	<u>24,631</u>	<u>912,825</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

<b>16 Related Party Transactions</b>	<b>2018 £</b>	<b>2017 £</b>
Fees receivable from The Sheerness West Federation of which Jim Duncan was a Governor during the year.	-	3,995
Fees payable to Swale CVS (a charity in which Christine White is the chief executive) in respect of HR, training services and other professional fees.	-	936
Amounts outstanding at the year end were:		
The Sheerness West Federation	-	611
Swale CVS	-	-

**17 Revenue Commitments**

At the period end the Charity was committed to making the following payments in respect of operating leases with expiry dates as follows:-

	<b>2018 £</b>	<b>2017 £</b>
<b>Plant and Equipment</b>		
Within one year	-	-
Within two to five years	-	-
<b>Land and Buildings</b>	<b>£</b>	<b>£</b>
Due:		
Not later than one year	8,200	6,663
Later than one year not later than 5 years	14,350	22,550
Later than five years	-	-
	22,550	29,213

**18 Capital Commitments**

	<b>2018 £</b>	<b>2017 £</b>
Contracted but not provided for	-	-

**19 Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities**

	<b>Group</b>		<b>Charity</b>	
	<b>31st March 2018 £</b>	<b>31st March 2017 £</b>	<b>31st March 2018 £</b>	<b>31st March 2017 £</b>
Net movement in funds	97	69,167	(49,686)	(28,938)
Add back depreciation charge and loss on disposal	28,690	23,165	16,882	11,600
Deduct interest income	(142)	(479)	(8,394)	(8,660)
Decrease (increase) in debtors	(6,801)	16,513	(24,586)	30,495
Increase (decrease) in creditors	(5,880)	59,022	48,971	156,095
<b>Net cash used in operating activities</b>	<b>15,964</b>	<b>167,388</b>	<b>(16,813)</b>	<b>160,592</b>